

Press Release

Office of Communications • 401 East Pratt Street • Baltimore, Maryland 21202
Contact: Karen Glenn Hood • 410.767.6318 • kglenn@choosemaryland.org



GOVERNOR O'MALLEY ANNOUNCES EXPANSION, RENEWAL OF THREE STATE ENTERPRISE ZONES

Zones help to revitalize communities, attract businesses and create jobs

BALTIMORE, MD (December 23, 2009) – Governor Martin O'Malley today announced that Enterprise Zones in Baltimore City and Allegany and Prince George's counties have been approved for expansion and renewal, enabling these jurisdictions to provide businesses with income tax and property tax credits to help create and retain jobs. Last year, businesses located in the state's 28 Enterprise Zones received \$26.3 million in property tax credits, which contributed to spurring nearly \$2 billion in capital investment over the past 10 years.

"Revitalization of our older communities is critical to the long-term fiscal, economic and social health of Maryland," said Governor O'Malley. "The Enterprise Zone program is an important tool for fostering economic development in our established urban and suburban areas. Expanding these zones will help sustain existing businesses and attract much-needed new businesses and help us achieve our most important goal of creating and retaining jobs."

"Now more than ever in these difficult financial times, Baltimore City government must do everything it can to promote business growth," said Baltimore Mayor Sheila Dixon. "The State's Enterprise Zone program is an important tool to enable Baltimore to retain and attract businesses."

Baltimore's City's Enterprise Zone will be expanded by 329 acres, and will include new areas such as Liberty Heights; Pennsylvania Avenue around the Upton neighborhood; from South Clifton Park to North Avenue; and an area downtown from Baltimore Street to Lombard Street between Paca and President Streets. The City also received approval to renew their Carroll Camden Focus Area and create a new Focus Area around Howard Street.

Expanding the City's nearly 22,000 acre Enterprise Zone will help to attract a new grocer to the Liberty Heights area; help reduce the number of commercial vacancies along Pennsylvania Avenue, which currently has a 30 percent vacancy rate, and bring additional retail, including a grocery store, to the area between South Clifton Park and North Avenue. The City also wants to include a 45-acre area downtown to help re-energize projects, including the Morris Mechanic Theater and the Sheraton Four Points Hotel, reduce vacancy rates which have doubled in this area in the last three years and promote new construction of commercial projects.

Renewing the 937-acre Carroll Camden Focus Area will allow the City to market the area's large number of underutilized or vacant commercial and industrial properties, which will complement

the redevelopment of Montgomery Park and encourage industrial and commercial reinvestment in the area. The addition of the Howard Street Focus Area, bounded by 28th Street, the Jones Falls Expressway, Charles Street and North Avenue, will help to attract new businesses and retain existing ones in the area.

Allegany County received approval to renew its Route 220 South Enterprise Zone, which encompasses 380 acres and includes the 160-acre Barton Business Park, home of the American Woodmark Corp. With the renewal, the County will have the ability to attract additional manufacturing companies, which will help continue its transition to a more diversified economy. In addition to the Route 220 South Enterprise Zone, Allegany County also has the Gateway Enterprise Zone, which includes most of the City of Cumberland, North Branch Industrial Park, Riverside Industrial Park, Commerce Center, and the Upper Potomac Industrial Park; and the Frostburg Enterprise Zone, which includes Allegany Business Center at Frostburg State University and the Frostburg Business Park.

“Allegany County is delighted to have the Route 220 South Enterprise Zone recertified as well as expanded. Enterprise zones definitely are a vital component of Allegany County’s continued economic growth,” said James J. Stakem, President, Allegany County Commissioners. “The value of the Enterprise Zone designation is aptly demonstrated by American Woodmark. Located in the Route 220 South Enterprise Zone, this manufacturing facility has created nearly 300 new positions in Allegany County - full time permanent positions with benefits.”

In renewing its Enterprise Zone and Focus Area, Prince George’s County proposed to include the areas along the International Corridor/Gateway Arts District; the Port Towns and Annapolis Road Corridor; the Cabin Branch and Central Avenue area; and the Southern Area, which includes Branch Avenue and Marlboro Pike. The renewal will help the County continue to incentivize commercial investment in areas that have struggled to attract new businesses and jobs. In addition, County officials predict that with increased marketing, the designation could result in an average of \$15 to \$20 million in capital investment in the area during each of the next five years and 150 new or retained jobs.

“In the past five years, Enterprise Zone-certified companies have reportedly made capital investments of \$100 million, and created more than 2,000 new jobs in the County,” said Kwasi Holman, President/CEO of the Prince George’s County Economic Development Corporation. “I am certain that the Zone’s expansion along Branch Avenue, Allentown Road, and Old Alexander Ferry Road, will encourage re-investment near Andrews Air Force Base, which is critical given the impact that BRAC will have on this area.”

The Department of Business and Economic Development approves the State’s Enterprise Zones while local governments are responsible for their administration. Businesses operating within an Enterprise Zone may be eligible for a tax credit towards their state income tax filings based upon the number of new jobs created, and a tax credit on their local real property taxes based upon their overall capital investment into a property.

About DBED:

The Maryland Department of Business and Economic Development stimulates private investment and creates jobs by attracting new businesses, encouraging the expansion and retention of existing

companies, and providing workforce training and financial assistance to Maryland companies. The Department promotes the State's many economic advantages and markets local products and services at home and abroad to spur economic development and international investment, trade and tourism. Because they are major economic generators, the Department also supports the Arts, film production, sports and other special events. For more information, visit www.choosemaryland.org.

#